SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu) : Sir, I associate myself with the point raised by my TDP colleague. Sir, it is consumer-friendly. ...*(Interruptions)*...

उपसभाध्यक्ष (श्री रमा शंकर कौशिक): यह कार्यावलि में निश्चित है और मंत्री जी इसको सदन में इंट्रोड्यूस कर रहे हैं और इंट्रोड्यूस करके यह इस सदन में आ रहा है । ...*(Interruptions)*...

SHRI S. VIDUTHALAI VIRUMBI: Sir, it is consumer friendly. It should be taken up and passed in this Session itself. ...*(Interruptions)*... It is of all India character. It should be passed in this Session itself. I associate myself with it.

श्री नीलोत्पल बसु (पश्चिमी बंगाल): सर, सदन में नई-नई परम्पराएं खड़ी की जा रही हैं । हम यह बीएसी में तय करते हैं और रोज सुबह चेयरमैन साहब के साथ बातचीत करके आपस में सरकार और दूसरी पार्टियां तय करती हैं । इस तरह से ...**(व्यवधान)**...

SHRI S. VIDUTHALAI VIRUMBI: Nilotpalji, even the decision taken in the Chamber of the Chairman is being reviewed. It is also a convention.

SHRI NILOTPAL BASU: Sir, this is not proper. It cannot be taken up.

SHRI C. RAMACHANDRAIAH: Sir, it is a very important Bill.

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : मैं विधेयक को पुर:स्थापित करने के लिए कह रहा हूं, आप दूसरी बात कह रहे हैं ।

मैं प्रश्न उपस्थित कर रहा हूं । प्रश्न है :

> "कि मजदूरी संदाय अधिनियम, 1936 का और संशोधन करने वाले विधेयक को पुर:स्थापित करने की अनुमति दी जाए" ।

प्रस्ताव स्वीकृत हुआ

SHRI MUNI LAL: Sir, I introduce the Bill.

THE LEGAL SERVICES AUTHORITIES (AMENDMENT) BILL, 2002

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY): Sir, I beg to move:

> "That the Bill further to amend the Legal Services Authorities Act, 1987, as passed by the Lok Sabha, be taken into consideration."

Sir, this Bill has already been approved by the Lok Sabha. The parent Act was legislated in the year 1987, and there were two principal purposes of the parent Act. The instrument under the parent Act was that we should constitute the Legal Services Authority and, thereafter, there would be State-level Legal Services Authorities and Legal Services Authorities at the level of every district of the country. Accordingly, in the last 12 years, since the Bill has been put into operation, its functioning has been highly successful, and these Authorities have been created all over the country. The Chief Justice of India is the patron. One of the Judges of the Supreme Court heads the Legal Services Authority. Similarly, the Chief Justice of every High Court is the head of the State-level Authority.

There were two principal aspects of the original Act of 1987. One was, to make a provision through the State-level and District-level Authorities for giving legal aid to the poor. This experience has been, somewhat, successful with the creation of these Authorities and, till today, over 40 lakh cases of legal aid have been dealt with by the Legal Services Authorities all over the country.

The second aspect of the Act was to constitute Lok Adalats for an out-of-court conciliation and settlement of legal disputes. Sir, at the level of various districts and States, and also at the level of different sectors--insurance sector, banking sector, motor accident claims, land acquisition cases--there have been several Lok Adalats which have been held all over the country, and, till today, in the last 12-13 years, we have been able to resolve, by a process of conciliation, as many as 1,36,00,000 cases. They have been resolved only through the Lok Adalat process.

The advantages of this Lok Adalat process are: this is a cheaper remedy; this is a quicker remedy; this is also friendly to the consumer, that is, the litigant himself. In fact, it is very cost-effective, as far as the litigants are concerned. After considering the success of the Lok Adalat experiment, a new Chapter is proposed to be added to this legislation, which relates to Pre-litigation Adalats. The difference between the Pre-litigation Adalats and the earlier Lok Adalats is this. In this Chapter, it is conceived to have Pre-litigation Adalats only in relation to public utilities. We have selected the public utilities because, normally, it is the government or quasi-government bodies which are, in most cases, the public utilities in this country, from municipalities to housing boards, development authorities, insurance companies, telephone companies, electricity boards, etc. The citizens have a large number of grievances, as far as these public utilities are concerned.

In relation to these grievances, he is, normally, expected to approach the court, and the litigation, therefore, becomes time consuming and costly.

The second system, under the 1987 Act, is that the court itself can refer it to the Lok Adalat for conciliation. But two weaknesses have been seen in the entire system. At times, the officers of the public utilities are not willing for settlement when financial concessions are to be made, even though they feel they are genuinely to be made. Secondly, if the conciliation fails, the Lok Adalat fails, the matter goes back to the normal court. In this Bill, it is being made mandatory that, for every public utility or a cluster of several public utilities in a given State or city, there should be a Lok Adalat. It is now mandatory to have it there. These Lok Adalats would be a three-member Lok Adalat, presided over by a former judicial officer, with two other experts as members. This is in addition to the normal route of litigation which is available to a citizen; the normal route of conciliatory Lok Adalat which is available. This is a fresh route that is being provided that, instead of going to a court and litigating there, before he goes to a court, he can raise his grievance before this Lok Adalat. The Lok Adalat, which will be mandatorily in existence and functioning five days a week, in every public utility, would try and settle his grievance. If the conciliation comes through, the conciliation succeeds; if the conciliation fails, the Lok Adalat will, after hearing both parties, give its award or decision on the matter, which would be binding and enforceable as a decree of a court. This right is being provided and this would help ordinary citizens and poor citizens who do not want to waste their time and money in courts, and want to settle small disputes through an out-of-court forum of this kind. The successful experience of Lok Adalats under the 1987 Act has, in fact, guided us to strengthen this mechanism further. I, therefore, commend this Bill to the House for consideration and approval.

The question was proposed.

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : मैं माननीय सदस्यों से निवेदन करना चाहता हूं कि इस विधेयक के लिए निर्धारित समय केवल 30 मिनट है । इसलिए सभी माननीय सदस्य कृपया समय का ध्यान रखें ।

SHRI A. VIJAYA RAGHAVAN (Kerala): Sir, I would like to congratulate the Minister because, in this session, we have passed two or three legislations which will, actually, accelerate the legal process and which will be more helpful to the poor litigants. We have passed the Cr.P.C. Now, we are considering this Lok Adalat Bill.This Lok Adalat system has

helped a lot in resolving thousands of cases at the lower level. Now, we are expanding the system. In this Bill, we are discussing the matters related to the Central and State Governments, which are playing an important role in the Lok Adalat process. My humble request is that it should be linked with the Panchayati Raj system. The Panchayati Raj system is a success in our country. Most of the cases are related to the lower levels. So, some mechanism should be there to link this Lok Adalat process with the Panchayati Raj system, which will strengthen the implementation of this scheme. Such a provision should be there. So, this point should be taken note of. So far as the civil cases are concerned, we have more scope under this system. The number of compoundable offences in the criminal cases should be enhanced. If it is done, it would help in resolving much of the problem. The present Bill will be helpful so far as the civil cases are concerned. It will also give some teeth to the compoundable nature of criminal cases which will be of great help to the poor litigants.

At present, the number of sittings are very few, once in a month or so. It should be ensured that there are regular sittings of Lok Adalats.

There are Tribunals to look into the motor accident cases. But thousands of cases are pending. It will take a long time to resolve these cases. The cases which are of fatal nature cannot come under the Lok Adalat System. There are so many other cases which are not of fatal nature which can come under the Lok Adalat System.

Now a retired judge and two eminent persons would be appointed. My question is: Will they be sufficiently trained? Always the Government intervenes in this kind of institutions. We have the bitter experience of Kerala. Recently, when the Government changed, immediately the whole process was changed. The members of the National Commission for Women were charged and new people were appointed. Earlier, there was a retired judge who was the President of the National Commission for Women, but now some political personality has come. Some controversy had arisen because some specific allegations against a Minister were pending before the National Commission for Women. The Government took a decision to dissolve the Commission and appoint a new Commission. This kind of a possibility is there in these institutions. To avoid such an eventuality, a mechanism should be evolved in the Bill. These persons should be given some training. If we appoint some persons without proper training, it would not help the system. Therefore, the members of these institutions should be given proper training. These are my humble suggestions. Thank you.

[THE VICE-CHAIRMAN (SHRI NILOTPAL BASU) in the Chair]

SHRI BACHANI LEKHRAJ (Gujarat): Sir, I heartily support the Bill. I would like to inform the House that this experiment on Lok Adalats was first done in Gujarat in 1990. Earlier, there was a Panchayat Act in Gujarat and one Chapter was included in the Panchayat Act on judiciary regarding Nyaya Panchayat consisting of Panchs to decide matters at the Panchayat level. But, after 15 or 20 years of experience, it was found that it was not possible to dispense justice at the Panchayat level because there was no staff and there were no educated persons. It was Justice Bhagwati who gave this idea and the Lok Adalats were started in 1979-80. I remember those days. I also used to sit on those Adalats. At that time, it was totally discretionary. It had no legal status. A civil judge or a Magistrate or an advocate and some other citizens of the town used to meet on one Sunday every month to sort out these matters.

Luckily, this experiment was found very impressive. So, at that level, when both the aggrieved parties are brought together, say, in the matters of matrimonial disputes or other civil disputes, the advocates put some moral pressure on both the parties and make them come to some conclusion. I remember, during the period 1980-87, hundreds of matters were decided at the taluka and at the district level. This experiment was first started in the High Court of Gujarat. The second State to follow this was Madhya Pradesh, which took it in the right earnest. Then, this mechanism gained importance from the national point of view and in order to give legal status to this, the Legal Services Authority Act was passed in 1987. In respect of settlement of disputes at Lok Adalats, it was merely putting a moral pressure on both the parties to come to a mutual decision. In spite of that, as the hon. Minister has stated, 1,30,00,000 cases of disputes have been settled from 1987 till date. With the successful working of these Lok Adalats, we felt that there must be some permanency in this mechanism. And, for this, there must be some alternative dispute redressal system and hence this amendment Bill, adding Chapter VIA, has been brought in by the Government. Sir, in the matter of settlement of disputes, the Lok Adalats have been playing a very vital role and I fully support this Bill. We hope that by this alternative dispute redressal system, namely, with the creation of permanent Lok Adalats, the persons can get justice in time and also at low cost. I am sure that several disputes will be settled by these permanent Lok Adalats. It is a major step that the Government has taken. Here, I want to draw the attention of the Minister to one aspect. No

doubt, the hon. Minister has said that other remedies would be open to the aggrieved parties, like, we have the Consumer Courts for settlement of disputes arising from improper telephone services, postal services and so on. But, our experience has been that the justice rendered by these Lok Adalats has been quick and at low cost. I know of instances where poor persons run from pillar to post to get justice; when the case is filed before any Court, it takes years together for them to get justice. When I was an MLA of the Gujarat Legislative Assembly, I had filed a case in the court against the Telephones Department.

I said in the court, if the officer was prepared to say that he was sorry for the inconvenience caused to the M.L.A., then I would withdraw the proceedings. But the officer was not prepared to say sorry. So, the court awarded me Rs.1000. I again said that I did not want to take the Rs.1000, if the officer still said that he felt sorry. Even then, the officer was not ready to own the responsibility. So, Sir, there are so many matters.

SHRI PREMCHAND GUPTA (Bihar) : Sir, in that case, we could also have participated. If it is to take one hour, we could also have participated.

SHRI BACHANI LEKHRAJ: I am concluding within two minutes.

SHRI PREM CHAND GUPTA: You should be happy that we are all supporting this. Even then, you are giving a lecture.

SHRI BACHANI LEKHRAJ: You do not worry. I am concluding.

THE VICE-CHAIRMAN (SHRI NILOTPAL BASU): He is sharing his experiences. You have not heard him. He sat on the Bench of a Lok Adalat.

SHRI BACHANI LEKHRAJ: One other thing should be considered, and that is regarding arbitration. There are so many Bills, so many agreements. There is a condition regarding arbitration between the parties which are getting the services and those that are giving the services. If that agreement is there, then what will be the position of the Permanent Lok Adalats? This point may also be clarified. My third point is regarding limitation. If any matter is not finally decided by the Lok Adalat, and that matter is referred to the court, then, what about the time taken in those proceedings before the Lok Adalat? This also must be made clear.

3.00 p.m.

Sir, I heartily welcome this Bill. It is a very important Bill. So many matters are pending, from the village level to the Supreme Court level. I think, by creation of this mechanism, a number of matters will be decided within a few months. It will benefit the poor who cannot go to reach the courts at the district level, the State level, and the Supreme Court. Therefore, I welcome this Bill.

SHRI RAVULA CHANDRA SEKAR REDDY (Andhra Pradesh): Sir, the establishment of Permanent Lok Adalats will definitely put an end to the protracted litigation. My submission is that, when conciliation proceedings fail, the award is on the basis of majority. Now, the Chairman is selected from the sitting or retired judges; and the other two members are selected out of those who have adequate experience in the field. Here, we must be careful in selecting the people. Nobody is permanent either in office or in politics. It should not leave any scope for misinterpretation or misunderstanding amongst the people. The other aspect is that, any party can approach these Permanent Lok Adalats. In the event of the other party refusing, what will happen? That should be taken care of. Our experience with the Lok Adalats in Andhra Pradesh has been very good. All the litigation that was referred to the Lok Adalats ended on a happy note and people were happy with the functioning of these Adalats. Taking the experience of the temporary Lok Adalats, the Government has done the right thing in bringing this Bill on Permanent Lok Adalats. I appreciate the stand taken by the Government. With the experience of the Fast-Track Courts, it is a good experiment, as far as the litigation is concerned. We can save time and money.

Adjudication is affordable, both in terms of money and time. The other aspect is, the sittings of the court must be ensured. We are aware of the consumer courts and *Lok Adalats*. Whenever a sitting is fixed, some sort of adjournment is taken, just as it is happening in the regular courts. So, the sittings of the court must be ensured. The disposal of cases must be regularly monitored.

Sir, it has been given a pecuniary jurisdiction of Rs.10 lakh. For enhancing the same, the power is vested with the Central authority. There is some ambiguity in it. I may be enlightened on this point.

The other point is, this court is not bound to follow the procedure under the Code of Civil Procedure. As per the provision of the Bill, the Civil

Procedure Code is not applicable to it. When the execution of a decree is there, again it is sent to the regular court for execution. How can it happen, when you are not following the Civil Procedure Code, when a decree is passed or an award is passed, for its execution, it is sent to the regular court? This also needs some clarification.

Sir, the other point is, the establishment of permanent *Lok Adalat* involves a lot of money, staff and other things. The Minister should explain it while replying to the debate. Sir, while welcoming the Bill, I need some enlightenment on these points.

SHRI P.G. NARAYANAN (Tamil Nadu): Mr. Vice-Chairman, Sir, the present Bill seeks to amend the Legal Services Authorities Act of 1987, in order to give more teeth to the *Lok Adalats* which have already settled 1.34 crore cases. Sir, presently, there is an enormous strain on the judicial system, but more importantly, it has resulted in a situation wherein disputes remain unresolved and prolong for years, and hundreds and thousands of people are denied timely justice. Justice delayed is justice denied. The present amendment to the Legal Services Authorities Act will help the people to get timely justice.

Sir, the *Adalats* can settle disputes on the basis of compromise and settlement among the parties. If the parties do not arrive at a settlement, the case is either returned to the court of law or the parties are advised to seek remedy in a court of law. The present amendment to the Legal Services Authorities Act will definitely remove this drawback and will, definitely, facilitate setting up of permanent *Adalats* for providing compulsory prelitigative mechanism for conciliation and settlement of cases relating to public utility services.

Sir, the *Adalats* would have powers to decide cases on merit, in case the parties fail to arrive at a settlement or a compromise. The present concept of *Lok Adalat* for public utility services is intended to work as an alternative to the traditional judicial system. This will be known as alternate dispute resolution effort, and will have a fast track system of dispensing justice to the aggrieved consumer.

Sir, there are various alternate dispute resolution techniques, such as arbitration, mediation, conciliation, mini trial, etc. The *Lok Adalat* is a conciliatory process where both the parties have to agree to take a case before it and to abide by the award of the *Adalat*. Sir, this *Adalat* is to deal

with the complaints against public utility services. It would help enormously, given that out of two crore of public utility cases pending in the court, only one-third have been disposed of so far.

The purpose behind this amendment is clear enough and needs to be supported because getting justice from the Lok Adalat would be easily accessible to the ordinary man, at a less cost. Complaints against basic utilities can go through the process of hearing and disposal in the proper courts. The Lok Adalat is easier and faster for the people.

Sir, I welcome this Bill.

THE VICE-CHAIRMAN (SHRI NILOTPAL BASU): Shri R.K. Anand; not present. Now Shri Shunmugasundaram.

SHRI R. SHUNMUGASUNDARAM (*Tamil Nadu*): Sir, this is my maiden speech and I thank you for this opportunity. I take this opportunity to thank my leader, Dr. Kalaignar Karunanidhi, who has given me an opportunity to be here. I assure this House that I will try my best to uphold the high traditions and the dignity of this House. I expect cooperation from my colleagues in this House.

Sir, this amendment Bill is intended to provide for a permanent Lok Adalat. I support this Bill. But I have only one doubt. I would like to know whether this Bill would take care of the consumer protection also. The Bill would have some sanction if this is provided for. As per the Bill, whatever is the award passed is going to be construed as the decree of a civil court. If that is the case, the aggrieved has to, once again, go to a higher court, whereas in a consumer court or in a consumer redressal forum, the effect is seen immediately. One can get the result immediately. That is missing in the permanent Lok Adalat. That should be taken care and I expect the Minister to clarify this and spell out the legislative intent of this amendment Bill.

Further, Sir, in regard to the Chairman, Members and others of the Lok Adalat, it is provided that the Chairman would be a judicial officer--or a sitting judicial officer or a retired officer. I draw the attention of the hon. Minister to a recent case relating to fast-track courts. The Supreme Court has laid down the priorities. The first priority should be given to a sitting judge and not to a retired judge. Let us dispense with the procedure of appointing retired judges. A sitting judge will have certain accountability. The appointment of retired judges would not be of much use. If the Government can't appoint a sitting judicial officer, then, the Government should think of appointing, at least, the in-service officers from the public utility services,

because this is provided for.I welcome the Bill. I thank you once again for the opportunity.

†**मौलाना ओबैदुल्ला खान आज़मी** (मध्य प्रदेश): सदर-ए-मोहतरम हिन्दुस्तान में सब से पहले लीगल सर्विसेज़ अथारिटी एक्ट 1987 में बना था, जो अब बिल का रूप अख्तियार कर रहा है। सर, इस एक्ट के पीछे मकसद यह था कि गरीब लोगों को मुफ्त और सहूलियत से भरी सर्विस दी जाए । उसके लिए लोक अदालत बनाने का भी प्रोग्राम है, जो कि एक अच्छा कदम है। सर, हमारे मुल्क में सर्विसेज़ का मसला शुरु से ही बहुत तकलीफदेह रहा है और आज कहीं भी लोग सर्विस के लिए अप्लाई करते हैं तो किसी भी मिनिस्ट्री में, किसी भी शोबे में, पढ़ने-लिखने के बावजूद उनकी अपनी जिंदगी एक अजीरन बन कर रह गई है । लोग डिग्रियों का ढेर लिए हुए मुल्क में दरवाजे खटखटाते हैं, मगर वे मायूसियों का शिकार होते हैं । आज एक पढ़े-लिखे इंसान के सामने जबर्दस्त मायूसियों का बहरे बेकरां है और कोई पतवार, कोई नाव साहिल तक पहुंचने के लिए पढ़े-लिखे इंसान के सामने नज़र नहीं आती । मैं वजीरे कानून को मुबारकवाद दूंगा कि निहायत ही शानदार बिल वे लेकर आए हैं, मैं उसकी हिमायत भी करता हूं, हो सकता है कि लोगों पर आपके दरवाजे खुलें और आशा की किरण मुल्क के नौजवानों में जागे। मुझे उम्मीद ही नहीं, बल्कि यकीन है कि इनके एक अच्छे और मसबत कदम से मुल्क को रौशन मुस्तकबिल मिलेगा और नौजवानों का भविष्य उज्ज्वल होगा ।

इन्हीं जुमलों के साथ, मैं इसका समर्थन करता हूं ।

SHRIMATI VANGA GEETHA (Andhra Pradesh): Sir, I rise to support this Bill. I have only one point to make. Clause 22E of the Bill says, 'Award of permanent Lok Adalat to be final.' I put a request before the hon. Minister. Under this Bill, so many rights are being given to consumers to utilise the services of the Lok Adalat. But, in our country, the in most of the villages people are illiterate. You may please think over this aspect again. And, care should be taken before appointing persons in Lok Adalats. Thank you.

प्रो0 रामदेव भंडारी (बिहार) : महोदय, मैं भी मंत्री जी को धन्यवाद देते हुए, अपने दल की ओर से इस बिल का समर्थन करता हूं ।

SHRI ARUN JAITLEY: Sir, I am extremely grateful to the hon. Members who have spoken in support of the Bill. As I mentioned in my opening remarks, the experience of Lok Adalats has been a happy one. Happy one, because, during the last twelve years, as I mentioned, about 1.36 crores of cases have been resolved through the Lok Adalat mechanism itself. But we saw one or two shortcomings in the Lok Adalat System which we wanted to try and strengthen through this Bill.

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† Transliteration of the speech in Persian Script is available in the Hindi version of the debate.

The first one was, as some of the hon. Members, Mr. Raghavan, who spoke initially also mentioned, that Lok Adalats are only meeting periodically. If you have a Banking Lok Adalat, it could meet at a given place once in a year. If you have a Lok Adalat for motor accident cases, it could meet twice a year at a given place. There was no mechanism where Lok Adalat could be available on a permanent basis. This chapter creates a new class of Lok Adalats -- the permanent Lok Adalats. Therefore, once these are constituted in public utilities, they would be available consistently throughout, barring holidays, the year. Before a litigant, who has a grievance against any public utility, there are different courses which are open to him. This Bill does not seek to close down any route which is available to a citizen. A citizen, who is a litigious, can, actually, go, engage a lawyer, spend his money, spend ten years in court and fight his case right up to the Supreme Court, if he so desires. That route is open to him even today.

That route is not being taken away; no rights are being chipped away. Under Chapter VI of this Act, since 1987, there has been a second alternative that is available to him that he can file his case; and the judge -- if he feels that the matter can be settled by a *lok adalat,* on a request from any party or on his own -- can refer it to a *lok adalat*. The *lok adalat* will try to bring about a conciliation. If the conciliation fails, the matter will again be tried in the court. This route is also open to our citizens. The third route is in the form of special tribunals, like the consumer fora, about which some questions were raised. You have fora with regard to railways; you have consumer fora; you have several specialised tribunals. Any litigant can go there, spend his time, and seek a remedy before those fora. This is the fourth fast-track, cheap, court that is being made available to the citizens. If one of the two litigants is a public utility, and the claim is against the public utility, our experience has shown that a number of authorities -- in their functioning -- at times, become indifferent to even the legitimate requests of citizens. It can be a demand relating to his electricity bill, relating to the water supply system, relating to his telephone bill. An example was given with regard to a large number of cases pertaining to motor accidents that are pending. I would not give that illustration. My own experience has been that almost in every district of this country, there is more than one, at times, two courts that are dealing only with these claims filed by relatives of those who have died in road accidents. These are all claims against the insurance companies. There are widows, young children, who are asking for those moneys because their lives are

dependant on those compensations. And it still takes years to realise those claims. By the time they get that compensation -- after 8-10 years -- the value of the money is of very little relevance to them. Today, by this Bill, we create a *lok adalat* in all public utilities. In smaller places, it may not be necessary to create a separate *lok adalat* for each public utility. So, for a group or cluster of public utilities, you can have one *lok adalat*. This is a fast-track route that is available as an alternative route to the citizens. A citizen can move an application there. The authority will hear it. There will be an attempt at conciliation, and if the conciliation fails, the authority will adjudicate and will give an award which will be binding as a decree of a civil court; and, then, the authority will transmit it to a civil court for its execution and implementation. While deciding such disputes, obviously, the authorities will be bound by the principles of natural justice. They will develop their own procedures. They are not bound by the strict rules under the Civil Procedure Code. But once it goes for execution, we must bear in mind that the respondent, in most of these cases, is going to be some Government or quasi-Government department, which will have to honour the decrees of this court. Such a situation will, hopefully, not arise. But if they do arise, it will be executed against that public utility through a civil court process. Now, a question was raised as to why we were making it binding. Sir, the idea is to provide an alternative route. It is an optional route. A citizen who does not want to go in under this Chapter, has the remedy -- as I said -- of a specialised tribunal, if one is available. He has the remedy of a civil law that is available. He has the right jurisdiction remedy available. He can try all those remedies. He need not come to this remedy. But, instead of going to court, if he wants to avail of this remedy -- which is one more fast-track route that is available -- he can do so, and once it is adjudicated as an award between the two parties, then, obviously, principles of constructive *res judicata* will apply between the parties; and he, then, cannot go about taking a chance before any other authority. The object is to provide a fast-track, cheap, route to a litigant, and if he chooses to avail of this route; obviously, he, then, cannot be allowed to multiply the litigation by trying alternative routes after this. Sir, a question was raised with regard to criminal cases. At some stage, it should be brought into this. Obviously, it will not be possible to bring the criminal cases under the *lok adalat* system, in the first instance because adjudications, trials, etc. are required. But, as I mentioned, the Government has already appointed a committee to look into the functioning of the criminal law system in this country. One of the suggestions that they are looking into -- in my interaction with them, I

discovered -- is, how some of the smaller criminal matters could be compounded, and they could also be encouraged. I will just share one experience. The Department of Company Affairs, which I look after, has thousands and thousands, if not lakhs, of company prosecutions.

Directors of companies are prosecuted; they go all over the country, and they attend to court hearings, and, after years of prosecution, some penalty is imposed upon them. We tried this system of compounding two years ago, and we found in that Amnesty Scheme, which came about, that most people who were violating the various technical provisions, fell in line and paid up the penalties. We were able to recover a huge amount as compensation. The Government was able to collect several hundred crores of rupees as compensation itself; we were able to compound. And when I looked at the figures where we had actually been able to procure a conviction against them, we found that in the last three years, except fines, we were able to procure only one order of conviction in the whole country, under the Companies Act. And that order was also stayed by the Appellate Court. So, this suggestion is very well taken. But, I am sure, when we come out with reforms in the criminal law system, which the Justice Malimath Committee is looking into, we will, certainly, have an opportunity to deal with it.

Sir, Mr. Bachani had raised a point whether limitation would be saved or not. I would say that limitation will be relevant only in that matter on Chapter VI-Conciliations, not in the case of permanent Lok Adalats, because this itself is an alternative route. After that, you have no other options available with you to go and litigate this dispute further.

Mr. Reddy raised one question. It was with regard to the jurisdiction being Rs. 10 lakh. Since this is made available for an ordinary small litigant; and not for large corporate houses to go and litigate under this permanent Lok Adalat they have many other remedies available we have, for the present, kept the cap at Rs. 10 lakhs. But we have, consciously, put in the enactment a provision, that the Central Government may, by notification, increase this amount, in some cases. Now, the cases which we have in mind are like this -- it is a practical illustration which has been brought to my notice, today -- in larger cities like Delhi or Mumbai, Housing Boards would be covered under this. The cost of a middle income group flat is also more than Rs. 10 lakh. Therefore, those disputes would, automatically, go out of that Rs. 10 lakh limit. So, ordinarily, the average citizens' disputes are small issues which are required to be heard, and we

will raise the ceiling in specific cases like the illustration which I have given, to make sure that people are able to benefit out of this.

An hon. Member from DMK mentioned that he would prefer if sitting judges were there. There is already an shortage of sitting judges. As far as the fast-track courts are concerned, we faced two issues. When the High Court started appointing judges, a large number of retired judges were not available, since they were hearing cases of very hard crime; the Supreme Court also felt, and perhaps, rightly so, that preference should be given to the in-house judges, that is, Magistrates who may be promoted, on an *ad hoc* basis, as judges of the fast-track courts. But our experience of the Lok Adalats, all over the country, has been, even in the past, that a very large number of retired judges have actively participated in it. And the composition of the Lok Adalat -- we had said -- should be such that it is presided over by a former judicial officer, sitting or retired. And we will have two other members who are experienced in the functioning of public utilities. For example, take the Electricity Board or a telephone company. Disputes with regard to billing arise. Now, certainly, we may require somebody with a technical experience, and somebody with an accounts experience, in these kind of authorities. He need not necessarily be an in-house man, but somebody having an experience of this, who would be members. And therefore, after considerable discussion, we have decided that this, perhaps, to start off, would be a good experiment to base this model on. With these few words, I commend this Bill to the House. ...*(Interruptions)*...

SHRI N. JOTHI (Tamil Nadu) : Sir, I just want to put one question. What will be the court fee payable on claims before the permanent Lok Adalat? And, would it be *ad valorem* court fee or a fixed, nominal, court fee? The hon. Minister may please clarify this.

SHRI ARUN JAITLEY: The court fee system -- these are not claims -- under the main NALSA Act, is the court fee system which will continue to apply. And, under the NALSA Act, there is, virtually, no court fee which is applicable. You are entitled to make an application on a simple piece of paper. For example, you say, my phone bill ordinarily used to be Rs. 4000; suddenly I have got a Rs. 40,000 Bill. Now, you have an option to go to court, you have an option to go to a Consumer Forum, or you have got an option to go to this body or go to the Telecom Lok Adalat and have your dispute settled there. You need a simple application, that's all. ...*(Interruptions)*... In fact, Mr. Misra has been the patron-in-chief when this was started.

SHRI RANGANATH MISRA (Orissa) : Mr. Vice-Chairman, Sir, I wanted to suggest one thing. I went to Gujarat in 1991. They presented a two-storeyed bungalow for the permanent Lok Adalat there. We had issued letters of request to other States. I would suggest to the hon. Minister that he may look for such gifts of house property, where you can have the permanent Lok Adalat systems function.

SHRI ARUN JAITLEY: What Justice Misra referred to, in fact, is a model which functions today. The people, who look after it, are available round the clock, and, when I say, round the clock, it means 24 hours that office is functioning. Even at night, they have at least one person there, because they find that, people from villages, who work, etc. want to come in the evening. Even at 12 o'clock and 2 o'clock, people are taking advice and going away. So, 24 hours, there is somebody available in the building at Ahmedabad.

THE VICE-CHAIRMAN (NILOTPAL BASU): The question is:

"That the Bill further to amend the Legal Services Authorities Act, 1987, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (NILOTPAL BASU): Now, we will take up clause-by-clause consideration of the Bill.

Clauses 2-6 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI ARUN JAITLEY: Sir, I beg to move:

"That the Bill be passed."

The question was put and the motion was adopted.

THE FOREIGN AIRCRAFT (EXEMPTION FROM TAXES AND DUTIES ON FUEL AND LUBRICANTS) BILL, 2002

THE VICE-CHAIRMAN (SHRI NILOTPAL BASU): Now, we take up the Foreign Aircraft (Exemption from Taxes and Duties on Fuel and Lubricants) Bill, 2002. Shri Syed Shahnawaz Hussain.